EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
IN AND FOR THE DISTRICT OF DELAWARE

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HONEYWELL INTERNATIONAL, INC. et al. Plaintiffs, v. AUDIOVOX COMMUNICATIONS CORP., et al. Defendants	:	CIVIL ACTIONS NO. 04-1337 (KAJ)
HONEYWELL INTERNATIONAL, INC. et al. Plaintiffs, v. APPLE COMPUTER, INC., et al., Defendants	:	 NO. 04-1338 (KAJ)
OPTREX AMERICA, INC., Plaintiff, v. HONEYWELL INTERNATIONAL, INC., et al. Defendants	:	 NO. 04-1536 (KAJ)

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Wilmington, Delaware
Monday, May 16, 2005 at 9:30 a.m.
STATUS CONFERENCE

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BEFORE: HONORABLE KENT A. JORDAN, U.S.D.C.J.

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first and that is, as in the CEA case, certainly an approach that is often taken, but I'm not aware of any case in which the manufacturers and the customers were in a case together and the Court stayed the manufacturer, the real party in interest, while the customers went first.

And so to the extent that that is the limited issue presented by plaintiffs in opposition to our motion to intervene, I would suggest there is no precedent for it. And it is not logical or efficient for the Court.

THE COURT: Okay. Sir, can I have your name one more time?

MR. BENSON: Robert Benson from Hogan & Hartson.

THE COURT: Okay. Thanks, Mr. Benson. Who is speaking on this on behalf of Honeywell?

MR. LUECK: I'll speak for it, Your Honor. Martin Lueck.

THE COURT: Okay.

MR. LUECK: If I could take just a moment and explain to the Court why we structured the case the way we did and why we believe that the Seiko Epson intervener should go after the suit against the end product manufacturers. And I realize some of this might get ahead a little bit on the stay motion. I'll try to limit myself.

THE COURT: In fact, you don't need to limit

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yourself because even though the stay motions are by other people, you're right that these are all very tightly interwoven and I'm eager to have you do just what you said. Explain to me why you folks have set it up the way you intend to set it up.

MR. LUECK: I'm sure you are. And I'm sure that looking at this room, I feel it's quite appropriate for you to feel that I have some explanation to give you as to why we structured the case the way we did, just looking at the very large number of people and the issues that will be involved.

But basically what it comes down to is this: We looked at it from a tactical and structural standpoint. And there are basically three reasons why we sued. But I will not call them customers. We are going to call them end product manufacturers, and I'll tell the Court why in a moment, but we sued the end product manufacturers for three reasons:

First, they were the ones we could get complete relief against by hailing them into court in the United States. A lot of the products, if you look at the modules, many of them are made overseas. Where those transactions take place, frankly, we don't know. And so one component of this is there is a very large unknown. We don't know who the suppliers are to each of the defendants. And if the

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Court looks at the papers that have been submitted, you can see there are some affidavits for five or six of the defendants but the majority of the defendants have taken no position on who their suppliers are. We don't know who those companies are. We don't know how to bring them to court. We don't even know if they are all subject to jurisdiction in the United States.

Secondly, the sales transactions. Now, I said earlier that we sued end product manufacturers. Well, the LCD module that is asserted to be the item that should be tried for infringement is not the product that is sold in the U.S. The product that is sold in the United States are cell phones, PDAs, digital still cameras, digital video recorders, games and so on. And in each of those in instances, someone has made a conscious decision to incorporate that piece of technology into their product.

THE COURT: Okay. Let me interrupt you, though. You're not disagreeing, though, are you, that your patent covers LCDs? I mean the liability, if any, of what you call end product manufacturers depends entirely upon a decision about the LCD component infringing your client's patent; is that right?

MR. LUECK: I agree with that.

THE COURT: There is nothing is about that, nothing else going on with these manufacturers that leads to

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liability, is there?

MR. LUECK: Not on the specific elemental test, but it does affect the scope of the infringement. So if a module is sold in a transaction to someone who is going to -- for example, let's say a cell phone. That cell phone may get sold in the United States but the module may have been sold in a transaction between Korea and Japan. Under the United States patent laws, we arguably can't reach the transaction between Korea and Japan but can reach the transaction of the cell phone in the United States.

THE COURT: I understand your point. But I want to make sure. And I think I understand the answer given to my question, which is it's not as if they were doing some other or different thing with their products that you say independently created some infringement liability. It's the use of what you allege to be the infringing LCD components in their products that gives rise to liability, if any; right?

MR. LUECK: That is correct, Your Honor.

THE COURT: Okay. That's two of your three reasons, I think.

MR. LUECK: And then the third reason is from a reasonable royalty standpoint, which is what Honeywell will be seeking here, the United States patent laws give us the right to recover for the extent of use made of the invention

by the infringer. And in our view, the extent of use is different for the end product manufacturer than it is for the module maker. And if one looks at the patent, one will see in the specification that the reasons that this invention is useful in an end product is that it allows for light to be directed to the region of interest for off-angle viewing, which if someone is looking at the LCD panel from the side or an angle, they can still have that light visible to them and they can read the information on the screen.

And, secondly, and just as important, by using that light energy efficiently, that conserves power for devices. So if we think about the modern world, where we're carrying everything that has a battery attached to it, the amount of battery power available becomes very important to a device. And this invention enables the end product manufacturers to conserve that energy and use it in the best way possible.

The only people that will be able to answer those questions are the end product manufacturers. The module makers will have no information as to what considerations went into the selection of this particular technology for these particular devices. And, furthermore, we believe that if you look at it just from a Georgia-Pacific standpoint, the value of the invention is greater in that end product because of the benefits that the end product

maker realized by using the invention than does the module maker.

THE COURT: Okay. Well, let's say that I were to accept the assertions you have made on that last point. Logically, why does that mean they should get sued first?

MR. LUECK: Well, because we should be entitled to get into the information. For example, what studies have you done for marketing these devices using the benefits of the invention?

THE COURT: I'm sorry. I'm not making myself clear.

MR. LUECK: Okay.

THE COURT: To me, the question isn't "do you ever get to sue them." The question is "who goes first" because we're not all -- you can take this as a given. We're not all going at once.

MR. LUECK: Right.

THE COURT: I mean this answers the question about that. Look at the courtroom. It can't happen.

MR. LUECK: Sure.

THE COURT: It's not just impractical, it's impracticable. I think it's not physically not doable to do that in any kind of sensible way.

So the question for me becomes how do I structure this in a way that preserves your client's rights

and opportunities and yet achieves some sensible administration of justice? So what I'm dealing with is this "who goes first."

Your papers say let's have these folks all go first and keep the manufacturers at the back of the line. Of the three things you have told me, frankly only one of them strikes me in a way that carries a lot of, carries significant weight, and that is the damages, if you are entitled to them. There is no reason why your reasonable royalty couldn't be figured after a liability finding, theoretically; right?

MR. LUECK: True, though that would require us to go through another round of discovery with the end product manufacturers.

THE COURT: Which you would have to be doing anyway. I guess I mean it doesn't appear to me to be duplicative. If they're the only ones that have the information, which is what you said to me, then you will be getting it from them. It's just a question whether you get it from them now or get it from them later. It's not as if -- and I'm sorry, I don't want to fall into the pattern of argument with you but I want to pull out from you, because if there is something I'm not understanding, I want you to straighten me out. You're not being duplicative by doing it later, you are just doing it later.

Is there something different about how the discovery would be taken if you are taking it a year from now as opposed to now?

MR. LUECK: Well, I think there would be some duplication but I can't a stand here and tell you, Your Honor, with great accuracy without any discovery exactly how that would play out.

The answer to your question from my standpoint is this: If we start with the products that we know are going to be sold in the United States, which is the end products, that the transactions take place here, and we try that case, we have corralled the entire scope of the infringement.

If we go with the product manufacturer or the module manufacturers first, then what we're going to do is we're going to have some modules that will be included and some modules that won't. And I think that does lead to a confusing and duplicative effort. And if the issue is the complexity of figuring out the infringement for the end product manufacturers, I'd like to address that for just a moment, because I don't think that complicates the action.

THE COURT: I will hear you on that, but I also want to hear you a little further. And I'm going to ask somebody in this group, whoever is speaking in response to it, to speak to me about the first point you made which was

the one that intrigued me which is your assertion that you don't know who is doing what. That is what I hear you telling me. Maybe we could sue Dell's supplier of LCDs if we only knew who that person was.

And I guess my question in the first instance is twofold: First, I got to believe then that an outfit as savvy as Honeywell has got some fix on the market for the supply of LCDs and knows who the players are in the world. Am I wrong about that? You don't? Now, you may not know who goes into what product but you know who the universe of LCD manufacturers are, don't you?

MR. LUECK: Well, I can't say with certainty that we know everyone. We believe we know in general who they are.

THE COURT: Right.

MR. LUECK: But whether or not we know those specific corporate entities and whether they are people that we can actually serve with process and bring into court, we do not know that.

THE COURT: Yes, I'm acutely aware of the challenges associated with personal jurisdiction in this court.

Second, if you had the opportunity to take discovery from the end product manufacturers, is there any reason to believe you wouldn't know who their manufacturers

are? Do you have some reason to believe that these folks will not tell you if they're served with proper discovery requests or third-party discovery requests?

MR. LUECK: No, I believe we can find out through discovery.

THE COURT: Okay.

All right. Well, you wanted to tell me something about another issue. I'll go ahead and hear you on that.

MR. LUECK: I can do it now or I can do it later.

THE COURT: That's fine.

MR. LUECK: I think one of the arguments that has been made it is very complicated to understand the infringement and for that reason --

MR. HORWITZ: (Gesturing for permission to move about the courtroom.)

THE COURT: Sure. You can come over here.

MR. LUECK: I think the best I can do is to get a group of us here. But you know the idea that we don't really know what is in our products, this is the argument that is made by some of the end product manufacturers. And what we've done is created just a simple drawing that is an example of how Claim 3 would read on an embodiment of the invention. I'm not representing that this is exactly the

way all of these modules are laid out. But I think at the end of the day, we'll see that proof of infringement I think compared to other patent cases is going to be relatively straightforward. You have an LCD panel, a pair of lens arrays and a light source. Honeywell has been able to disassemble them and determine where the infringe- ment lies and we believe that all of the end product manufacturers are capable of doing the same thing.

And the Court can't see it right here but the lens array in the middle is slightly off-angle to deal with more ray effects and that also can be observed through disassembly of the module if, in fact, they're unable to get that information from the module supplier. So I don't think that complexity of the infringement issue is really one that should drive the decision, from our standpoint.

And I'm not going to argue with the Court. I do think the issue of where the transaction takes place is an important one and one that will ultimately complicate the action if we proceed just against the module manufacturers because they may very well take the position that sales outside of the United States simply cannot be reached, and yet many of those modules may find their way in the United States and in end products. And I think that does create a very confusing and complicated situation for the present- ation of the case.

And with that, I think, if I have answered your immediate questions, perhaps I'll sit down and let counsel explain their point of view.

THE COURT: Yes, I'll hear from Mr. Horwitz. Thank you.

MR. HORWITZ: Thank you, Your Honor. Preparing for today reminded me of one of our countries great philosophers, Yogi Berra. I'm going to change his words a little bit to apply to the facts of this case and that is: "It's like deja vu all over again except it's only worse." And I say that because of where I was in this courtroom 13 months ago with Your Honor making many of the same arguments in the CEA case. We didn't hear any mention of CEA by Mr. Lueck, it wasn't in their first round of briefs but I think that is where we have to start in terms of case management to get our arms around this case.

Now, I said I think this case is more complicated than CEA because of the potential products that are involved, the parties that are involved. We've got over 10 years when they didn't say anything to anyone. As of now, Your Honor, in their papers they have not limited even to the Claim 3 in the patent. They just say products with LCDs. They already served discovery. We think that was too early. It just says LCDs. There are potentially thousands of products in this case right now. And that's one reason

MR. LUECK: No, I think I stated our argument as succinctly as I can.

THE COURT: All right. Thanks, sir.

MR. GRAHAM: Your Honor, Barry Graham for Nikon Corporation, Nikon Inc. I'd just like to state briefly for Nikon the term "end product manufacturers" is probably not -- is not completely accurate. Nikon, for the Court's information is, call us what you want, a "100 percent pure customer" defendant. And we're the defendant -- Nikon Corp., Nikon Inc. are the defendants in the 1337 case and all their suppliers are in the lawsuit already.

The reason why Nikon is not an independent product manufacturer is the bulk -- there have been two accused cameras, specifically accused cameras. And I, not knowingly -- I hope I'm not violating any court rule -- I have the batteries out of this but I bought this Nikon camera a year ago before the lawsuit. It's a CoolPix 3100. It is now a specifically accused product. It has Nikon on it and I thought it was a Nikon camera but it's actually manufactured by another defendant. And the LCD panel that is the subject of the litigation is also manufactured by that other defendant.

If you go outside of the two specifically accused cameras and look at all of Nikon's digital still cameras that have LCD screens in them, the vast bulk of them

are not manufactured by Nikon, they're OEM by another defendant. So Nikon is not truly an end product manufacturer of them.

With respect to, just like Dell, last fall I spoke to Matt Woods, Honeywell counsel, one of the counsel saying, look, this really is a customer defendant stay situation. Nikon would like to be out. We'll give the supplier information and let us go. Well, we gave them the supplier information but they didn't let us go and we have been very busy since then trying to orchestrate the propriety, the setting up of the stay motions.

And one thing I tried to do is answer the Court's anticipated question: What is the percentage of the market share? It was impossible to try to find out given the way that Honeywell has asserted its claim against so many people and so many products, but I can stand here today and say Nikon is a pure customer defendant and the supplier is in the courtroom already.

THE COURT: I say this with some trepidation. Is there anybody else who feels like they need to be heard on the stay motion?

Okay. Good enough.

Well, I was particularly struck by some language in one of Honeywell's brief that they had tried to structure the case to avoid the complications encountered in CEA. And

I wasn't all together sure what was meant by that but putting the best spin on it, I would take it to mean that, well, you know, we saw the Court struggle there with "who ought to be first," suppliers or manufacturers and so we thought we would deal with it by not naming any of the manufacturers here. Maybe I got you wrong on that but that is sort of how I understood it.

But while I appreciate the effort, it doesn't solve the problem for me because what I think was predictable has happened, and that is the people who have a real stake in terms of keeping their customers happy are the manufacturers and suppliers, and they have been subject no doubt to a whole lot of communication from their customers, including demands for indemnification and third-party complaints and probably less formal demands and requests.

So I feel like I do have a circumstance that is very akin to the CEA case, whether they brought the suppliers in in the first instance or not. And that is why I'm going to structure this case in roughly the same way. Now, I say "roughly" because, you know, no two cases are exactly alike, particularly when you have two cases which are orchestrated on an operatic scale like these two are with dozens and dozens of defendants, literally.

So I'm sure there are things, Mr. Lueck, in your case that are not going to be like CEA's case, and so I

don't want you to be concerned that everything that happens there, you are going to be in the same mold, because there may be sound reasons to do things somewhat differently.

But I don't think there is a sound reason to depart from the traditional rule which is in many cases and has reached a point of being memorialized in the manual on complex litigation that says you ought to give the people who are making the accused device face the music, and let them face it in the first instance, particularly in a case like this where there is not something else going on where these people are infringing. They're taking something that you say infringes and they're putting it into the stuff they sell. And so settling whether those components infringe, if we got all the manufacturers in, would settle the thing entirely. If we don't get them all in, we will have substantially reduced the universe of litigation that has to go forward against the -- and I will use the term "end product manufacturers" for ease of reference, with all due respect to the folks from Nikon. It's just likely to make things more manageable in a way that is consistent with the fair administration of justice.

So I'm going to grant some type of stay to the end product manufacturers but the contours of that are something that I'm open to discuss within bounds of reason. In short, I think you made a persuasive case for needing to

find out from these people who is supplying what to who and for what products.

And I will let the plaintiffs go after that in discovery. I'll open that as the first front in your war. You find out who is doing the manufacturing and supplying for who and for what products.

It may be that down the road, I'll lift the stay again to some limited extent to allow product's success, secondary consideration kind of discovery, but that is to me an issue for another day. Right now, the issue is who does it make sense for you to get in here first and start suing.

Well, you got Optrex who is here saying "I want in." You got Seiko Epson who is here saying "I want in." These are my customers and I want to stand behind my product and make them sue them first because I'm the one who can tell you whether it's infringing or not.

And I am going to grant Seiko Epson's motion and let them in. And I'm going to grant your motion to consolidate because this is all one big happy family of problems now and everybody is going to be in the same case, and we'll come up with some kind of appropriate consolidated case caption.

And I will give you a generous time period but not overly generous to figure out who else you want to try to haul in here on the manufacturers side, and then we'll

get that case on.

Now, let's talk about the questions of bifurcation. You have people who are trying to say we want not only to have the manufacturers go first but we want them to be first in a bifurcated manner.

I want to you speak to that specific issue of bifurcation, Mr. Lueck, unless you have somebody is on your team to do that.

MR. LUECK: I'll speak to it, Your Honor. And I would say, I think if Your Honor is inclined to go with some sort of a stay and tailor the contours, I would propose that we handle the issue of bifurcation within that approach. And I think, at the end of the day, yes, you can do infringement by going after the module manufacturers, if we can get them. I respectfully continue to believe that to afford full relief, the end product manufacturers have to answer for the extent of use.

THE COURT: I'm not disagreeing with you.

MR. LUECK: So what I would propose, what I would propose, Your Honor, is that you let us conduct some limited discovery, let us make the proposal to find out who should be here within the module manufacturer appellation, try to figure out who we can get here and you can put the burden on us to say what discovery should be, should go forward in parallel with that discovery for the efficient

administration of the case. And from my standpoint, it would be where did the modules end up? What are the reasons for using it in the end product? And the issues on commercial success. Put that burden on us. We'll come to you and tell you why it is we need it, when? And ask you to have the stay somewhat malleable, in that vein. And I believe the issue of bifurcation can appropriately be put off until a later date when we have more information.

Alternatively, if the Court is going to proceed in the fashion that you have indicated, and I'm sure you are and I'm not going to argue that point any further, you know, it would be possible to have an infringement trial against the module makers.

I do think in the validity case, we ought to be entitled to bring in some evidence from the end product manufacturers in some fashion. Whether they have to be there or not is a different question and they might want to be. And then a damages trial against the end product makers. And we wouldn't be opposed to a phased approach along that line.

But where I see things being unduly complicated is if we're unable to conduct the discovery all the way along in a way that makes sense from the standpoint of the overall issues. And I'm cognizant of the Court's need to maintain control over the case and we would be entirely

willing to make an application and lay out what it is we think we need and why.

THE COURT: All right. Mr. Horwitz.

MR. HORWITZ: Your Honor, I think we've got some good input from the Court today as well as some statements that Mr. Lueck made that went further than anything that we had when we met with Honeywell before coming to this conference this morning.

I think one thing that would be important in this phase that Your Honor is talking about -- and I think the parties should get together, having heard what you said today and try to hash some of this out. But one thing that we think is very significant is they should step up now and tell us which products they really are accusing of infringement. That would be important up front as well.

And I think also we would like to get an agreement that the general discovery that they've served on all parties right now is just stayed. Nobody has to respond to that and we should deal with whatever narrow discovery they're going to propose to us and to the Court. Otherwise, we're going to have to come in for many of the defendants and seek relief because of the things that we've already talked about today.

Much of what Mr. Lueck talked about before and now again really does go to damages, and we think that it

EXHIBIT B

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EXHIBIT C

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EXHIBIT D

THE UNITED STATES DISTRICT COURT

IN AND FOR THE DISTRICT OF DELAWARE

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HONEYWELL INTERNATIONAL, INC. et al. Plaintiffs, v. AUDIOVOX COMMUNICATIONS CORP., et al. Defendants.	:	CIVIL ACTIONS NO. 04-1337 (KAJ)
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Wilmington, Delaware
Monday, March 13, 2006 at 10:00 a.m.
TELEPHONE CONFERENCE

- - -

BEFORE: HONORABLE KENT A. JORDAN, U.S.D.C.J.

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way to go at this point is our proposal, which is to try the common issues, the true common issues which we believe are invalidity and unenforceability, and that is what our proposal sets forth.

THE COURT: Now, let me ask a question of you.

Have you given any thought to whether, if I were to accept your suggestion in that regard, how I would nevertheless manage a case with this many defendants? In other words, Optrex is making the pitch, hey, let us step out front first and we'll carry the torch for everybody. And you folks evidently think that is not a good idea. But have you thought of what other things might be done besides having 18 groups of companies with platoons of lawyers for everybody in the courthouse or some third location or some other different location, because trying it in this facility would be perhaps impracticable?

MR. ROVNER: Well, on behalf of the manufacturer defendants, we believe that with a lot of effort, we could try the true common issues with the defense group that we have; and we believe that would be the most efficient way because you would have the most parties at trial. And as I keep saying, the true common issues, that we believe could be done. And that's why we certainly considered Honeywell's proposal and we considered Optrex's; but we believe for the great bulk of the defendants, our proposal, which is set

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forth in the proposal that was provided to Your Honor last week, is the one that would be the best for all concerned.

THE COURT: All right. Optrex, I'll give you a chance to weigh in here; and then I'll turn back to you, Mr. Lueck.

MR. KELLY: Your Honor, this is Dick Kelly for Optrex.

Optrex doesn't believe that you can have a trial with 18 defendants even if the so-called common issues are there. There are going to be differences of opinion as to what prior art to play and other things.

Second, I just wonder how are you going to schedule something like that. This case has been going on almost a year and-a-half now and we're no closer to resolution than when the complaint was filed and Optrex would like to get it over, and over as quickly as possible, and we don't see that happening if this case is going to have 18 or 19, whatever it winds up being, defendants at a trial, even a trial on the so-called common issues.

THE COURT: Okay. Mr. Lueck.

MR. LUECK: Yes, Your Honor. I think, you know, when we went back and set this structure up, the idea was putting the manufacturing defendants in to stand in place of the customer defendants on some of these issues would streamline matters and speed up the resolution. We believe

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that that can be accomplished. We think the issues of validity are common and the issues of infringement.

Essentially, I recognize there are some differences in some of the ways that the invention is implemented but overall the claim is really not complicated. And I don't believe the proofs on that issue will be terribly complicated.

THE COURT: All right.

MR. LUECK: And --

THE COURT: Well, I got your position. Thanks.

I have to say, bluntly, it's unworkable and it's not going to happen. We're not taking this case to trial on all issues against all defendants. We will take it to trial on common issues in the first instance: validity and unenforceability.

The only question I have in my mind is whether it's really possible to try this case with all these people at once. And I think it more likely than not that it is not a practical way to approach it. And something that the parties ought to be talking about is if there are, if there is a logical group to stand in first. And this may be an impossible thing to ask the people on this call to do, certainly without having a chance to talk to each other and talk to their clients, so I'm not expecting anybody to give me an answer now. And we're not going to delay scheduling

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for now.

Let me emphasize, by the time this call is over there is going to be a scheduling order. The only question is whether everybody is going to be on that same train or not. You know, some people like Optrex may want to be on that train. They may say I don't want to wait and see how other people do at resolving the issue. I am ready to go now, and I want to go now. And I'll count Optrex as one of the folks that wants to be on a train and that is well and good. There may be others who are delighted to let others carry the water and sit back and see what happens.

But you folks ought to talk to each other on the defense side and see if there isn't a more manageable group. And by "manageable," I'm thinking something not in excess of five; and less is better; so that we could actually fit in a courtroom, in this building, and we could actually try a case to a jury over the course of a reasonable length of time, a couple weeks, and get a resolution.

But I'll leave for another day how we narrow that. For now, it's enough to say that Optrex is not going to go it alone and Honeywell's position is impractical and is rejected. So we're going to go against the manufacturer defendants; what group remains to be seen; and we're going to get ourselves a schedule in place.

With that as background, I assume that everybody